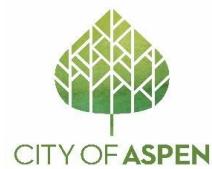


To: Aspen City Council
From: Pete Strecker, Finance Director
Date: February 15, 2023
Re: December 2022 Consumption Tax Report

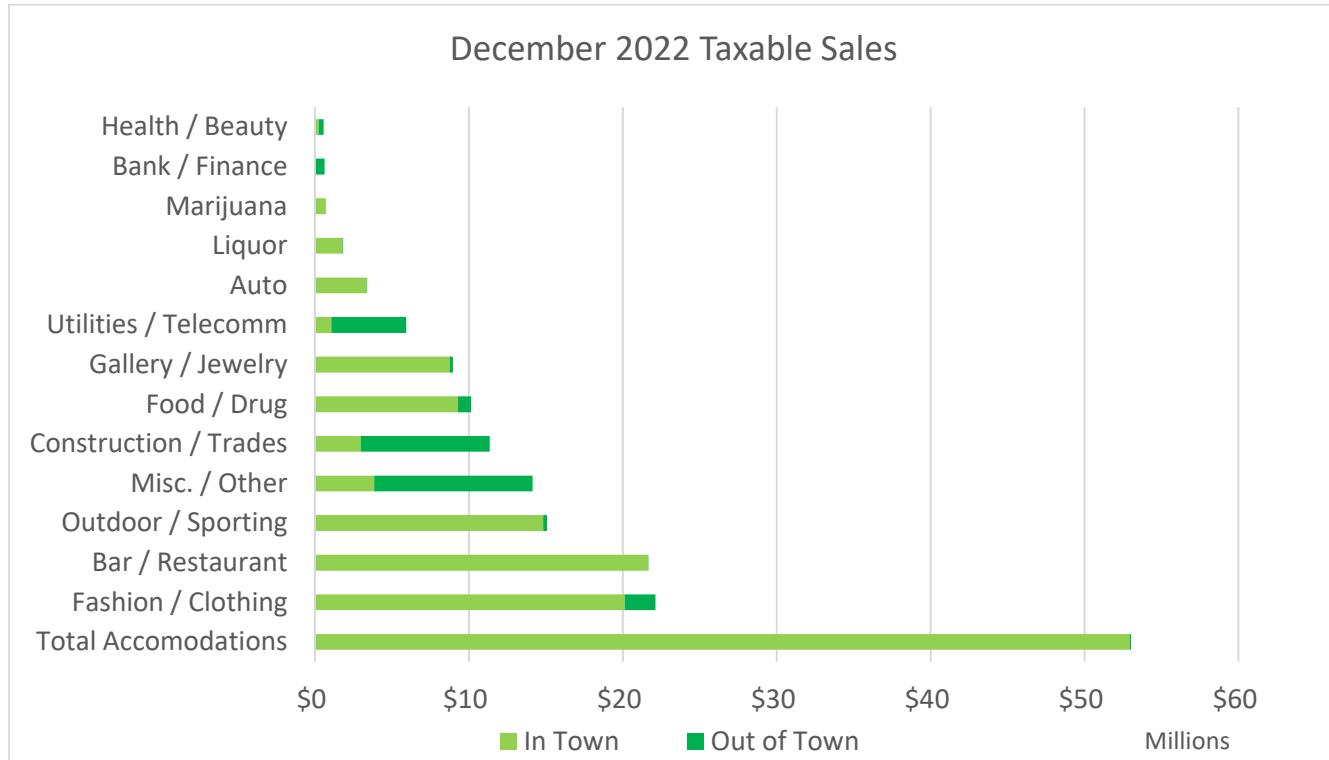


Aggregate Taxable Sales & Industry Highlights:

Monthly economic activity in December exhibited a strong surge in consumer spending in preparation for the holiday season. Overall taxable sales jumped 13% for the month when compared to the same period one year ago. And given that December is the most significant sales month for the calendar year (roughly 14% of annual sales), this boost in activity will undoubtedly will have solidified the retail year for many businesses in town, for overall, 2022's \$1.2 billion in taxable sales jumped 19% over last year's record activity level.

Specific to activity in December, most sectors were up, including the anchor industries of accommodations and restaurants/bars (up 7% and 16%, respectively). Seven other sectors also saw double digit increases however, demonstrating the robust nature of spending across the economy. There were three sectors that experienced declines including liquor, cannabis and health/beauty; however, all of these industries represent just a small slice of the local economy. One notable item, the general cannabis industry has seen declining sales across the entire state of Colorado, down 21% from 2021 collections statewide, and is anticipated to be tied to neighboring states such as Arizona and New Mexico recently adopting legalized marijuana sales. This may be a partial explanation to why this sector of the economy has remained down for the year and may be adjusting to a new baseline.

December economic activity was steered largely by local spending, with 84% of spend taking place within local brick and mortar sales and the remaining 16% from online/external businesses.



Sales and Lodging Tax:

December sales and lodging tax collections paced 16% and 2% above the same month one year ago. With this final month in the books, City sales tax collections ended 19% ahead of last year and beat the budgeted estimate set at roughly 12%. Lodging tax collections ended even higher, up 40% relative to 2021 collections; however, much of this increase was due to the soft economic period early in 2021 when COVID restrictions were still unwinding. As a reminder, these tax sources all have very specific voter-approved and dedicated uses through their initial adoption at the ballot box, ranging from parks and open space, public education, local transit service, affordable housing, childcare and tourism promotion.

Specific to the collection of the City's lodging tax (2.0% tax across all lodging types), the breakdown of where the tax was generated can be seen in the chart below, with two-thirds originating from traditional lodges and the remaining third coming from short-term rental establishments.

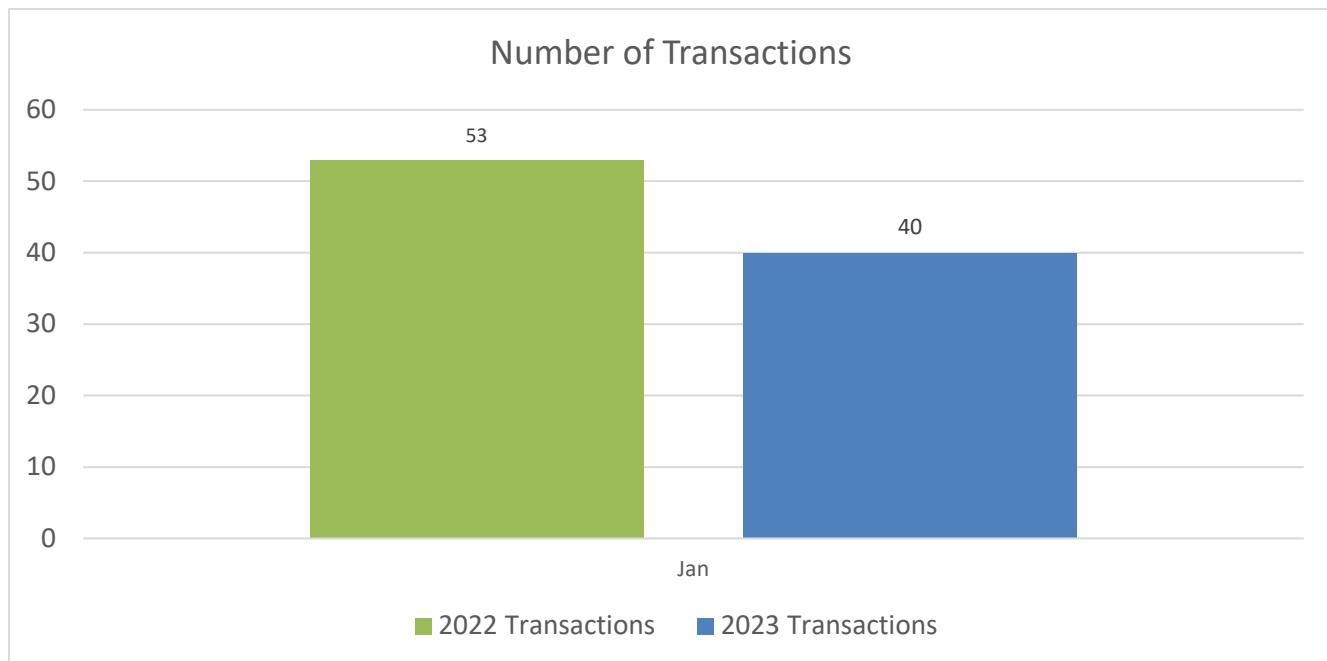
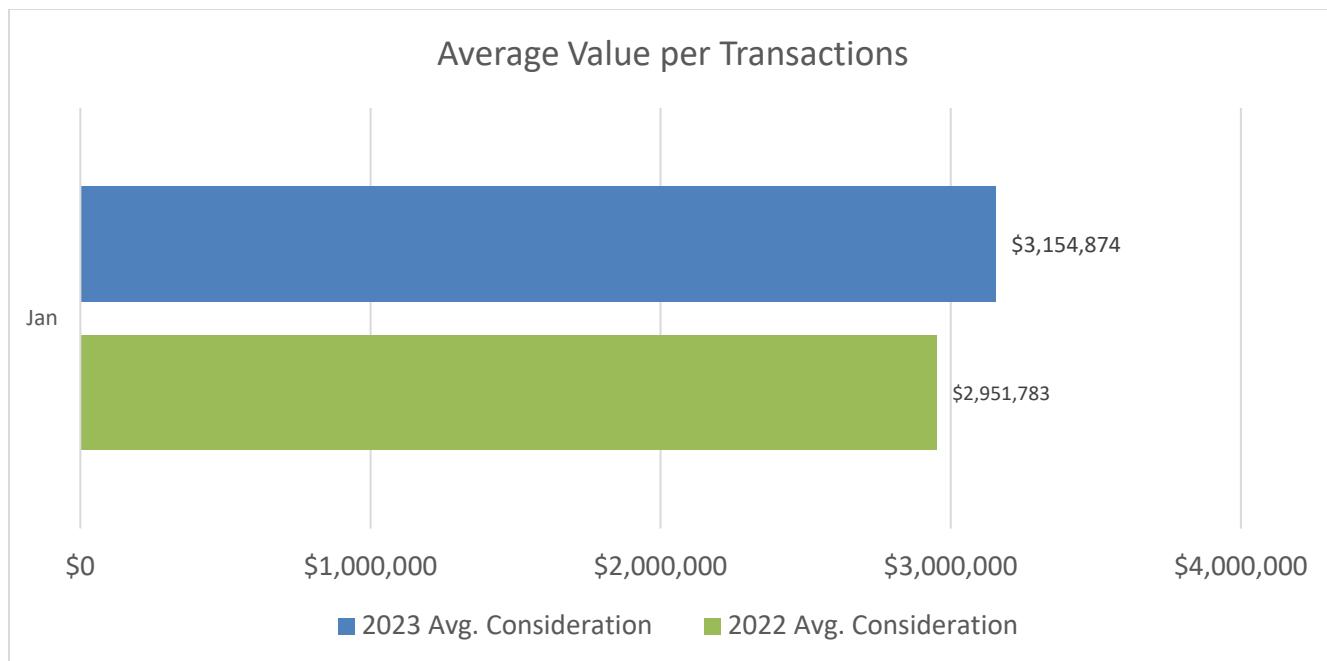


City Share of County Sales Tax:

The City of Aspen's allocated portion of Pitkin County's 2.0% sales tax for the month of November declined nearly 8% relative to the same period a year ago, with annual collections pacing 20% ahead of last year, and one month remaining to collect.

Real Estate Transfer Taxes:

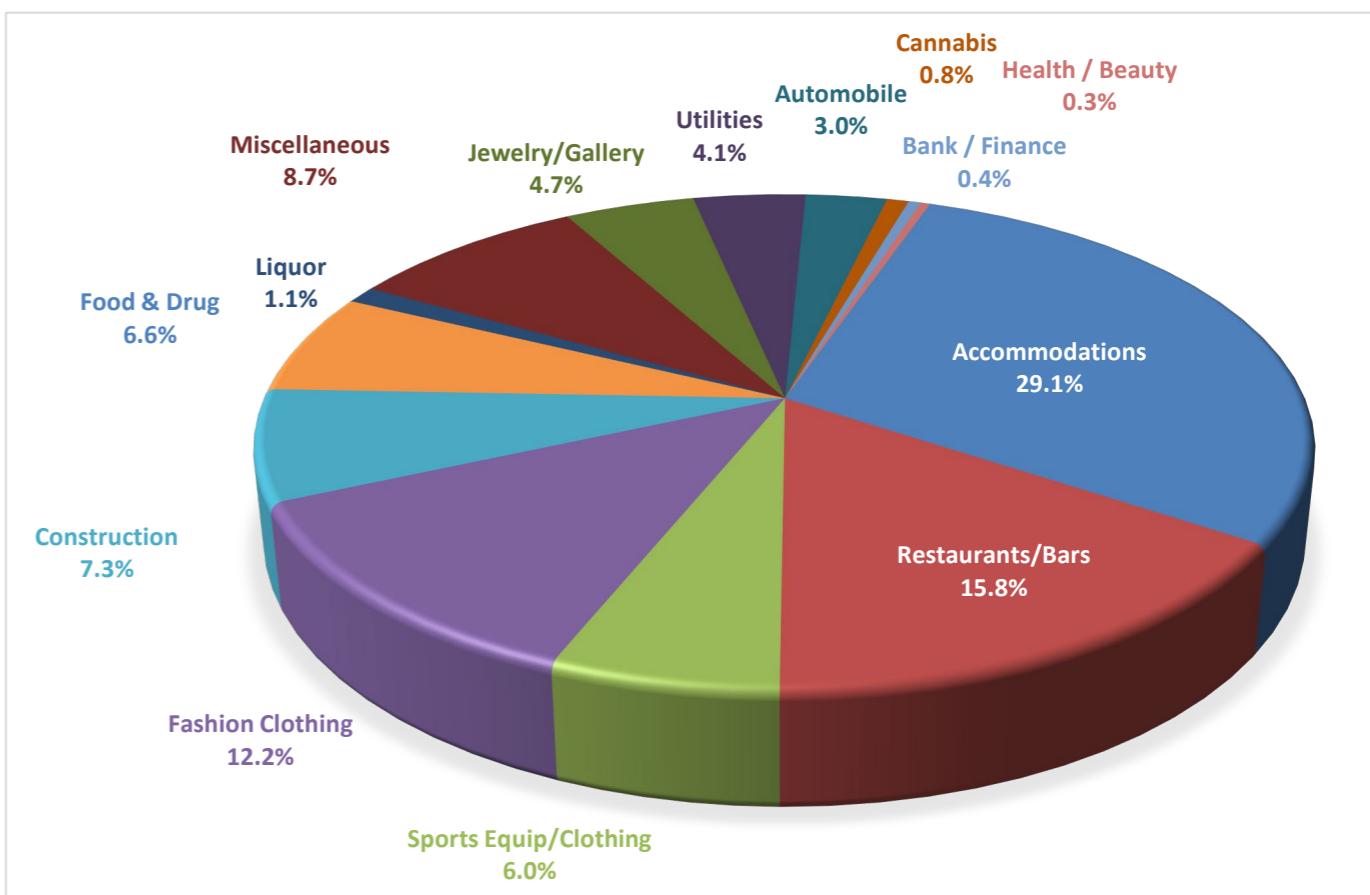
Shifting gears into the new calendar year, January 2023 real estate transactions continue to fall off, with just 40 transactions last month compared to 53 in January 2022. Overall tax receipts declined 17% to account for some of this loss in transactional volume. That said, the drop in receipts would have been substantially greater (down 73%) without the influence of a single outstanding RETT collection from an acquisition that occurred in January 2021 which was recently posted after working with the new owners and receiving funds last month.



City of Aspen Retail Sales by Industry
December 2022

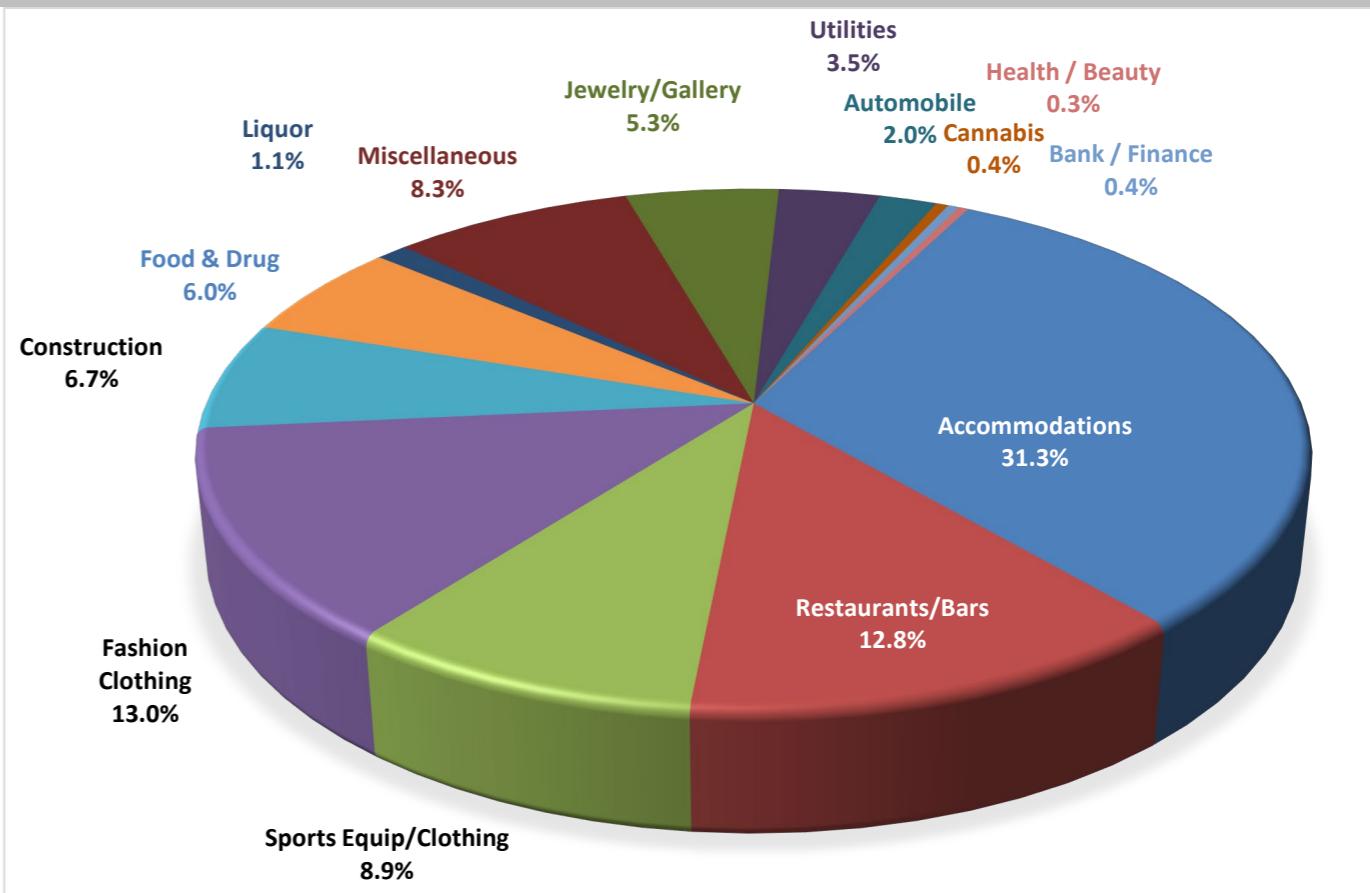
Year To Date Retail Sales

Category	Retail Sales	% of Total Retail Sales	% Change to 2021
Accommodations	\$354,632,618	29.1%	38.1%
Restaurants/Bars	\$192,771,817	15.8%	24.4%
Sports Equip/Clothing	\$73,242,116	6.0%	11.4%
Fashion Clothing	\$148,934,872	12.2%	22.8%
Construction	\$88,703,357	7.3%	(6.5%)
Food & Drug	\$80,289,156	6.6%	16.4%
Liquor	\$13,461,296	1.1%	(2.2%)
Miscellaneous	\$105,822,257	8.7%	12.3%
Jewelry/Gallery	\$57,516,124	4.7%	22.7%
Utilities	\$49,614,944	4.1%	0.0%
Automobile	\$36,072,126	3.0%	8.5%
Cannabis	\$9,638,185	0.8%	(14.0%)
Bank / Finance	\$5,412,430	0.4%	21.3%
Health / Beauty	\$4,217,263	0.3%	(36.0%)
Total	\$1,220,328,560	100.0%	19.3%



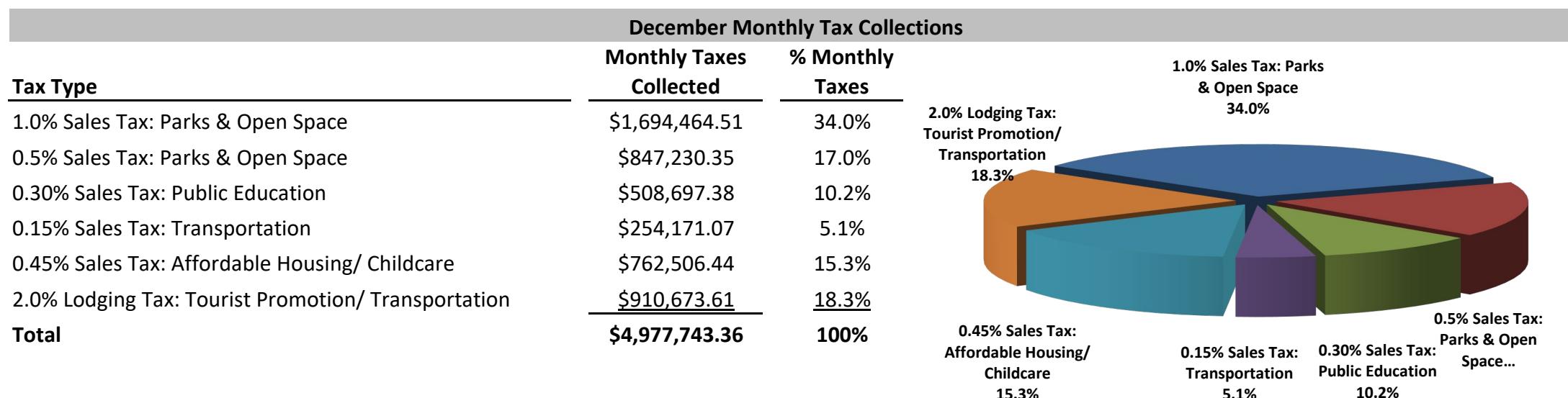
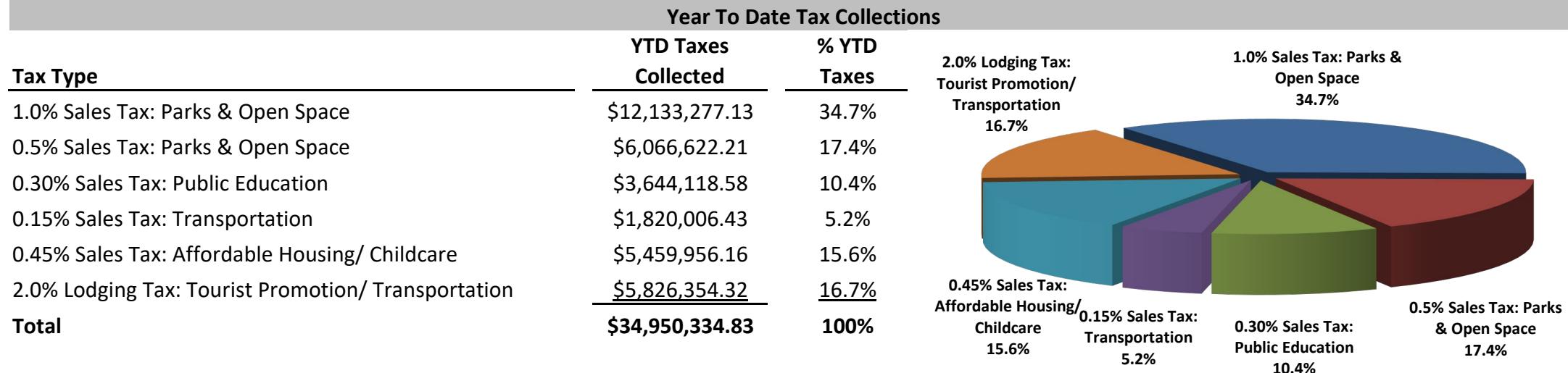
December Monthly Retail Sales

Category	Retail Sales	% of Total Retail Sales	% Change to 2021
Accommodations	\$53,018,370	31.3%	7.1%
Restaurants/Bars	\$21,670,758	12.8%	15.5%
Sports Equip/Clothing	\$15,071,119	8.9%	6.7%
Fashion Clothing	\$22,120,675	13.0%	16.8%
Construction	\$11,355,854	6.7%	18.0%
Food & Drug	\$10,160,005	6.0%	77.5%
Liquor	\$1,828,200	1.1%	(0.7%)
Miscellaneous	\$14,135,645	8.3%	5.4%
Jewelry/Gallery	\$8,965,105	5.3%	15.0%
Utilities	\$5,931,845	3.5%	14.6%
Automobile	\$3,383,892	2.0%	48.0%
Cannabis	\$723,289	0.4%	(14.3%)
Bank / Finance	\$642,041	0.4%	18.9%
Health / Beauty	\$577,350	0.3%	(39.8%)
Total	\$169,584,148	100.0%	13.4%



City of Aspen Sales and Lodging Tax

December 2022



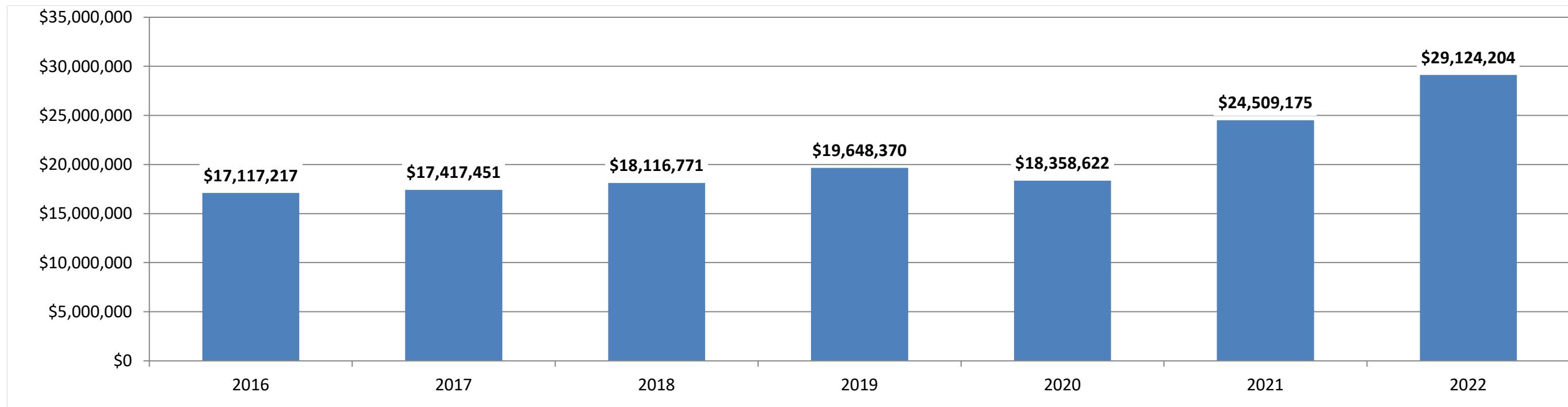
City of Aspen Sales Tax 2.4%

December 2022

Current Month Revenues are **15.8%** above last year's Monthly Revenues.
 Year To Date Revenues are **26.8%** above Year To Date Budgeted Revenues.
 Year To Date Revenues are **18.8%** above last year's Actual Year To Date Revenues.

2022 Monthly Budget vs. 2022 Actual				2022 YTD Budget vs. 2022 Actual			2022 vs. 2021			
Month	Budget*	Actual	Variance	Budget*	Actual	Variance	2021 Monthly	Variance	2021 YTD	Variance
Jan	\$2,516,000	\$2,829,557	12.5%	\$2,516,000	\$2,829,557	12.5%	\$1,594,720	77.4%	\$1,594,720	77.4%
Feb	\$2,295,000	\$3,026,029	31.9%	\$4,811,000	\$5,855,586	21.7%	\$1,673,483	80.8%	\$3,268,203	79.2%
Mar	\$2,623,000	\$3,555,334	35.5%	\$7,434,000	\$9,410,920	26.6%	\$2,645,788	34.4%	\$5,913,991	59.1%
Apr	\$956,000	\$1,362,748	42.5%	\$8,390,000	\$10,773,668	28.4%	\$1,117,415	22.0%	\$7,031,407	53.2%
May	\$802,000	\$982,151	22.5%	\$9,192,000	\$11,755,819	27.9%	\$964,724	1.8%	\$7,996,131	47.0%
June	\$1,941,000	\$2,501,486	28.9%	\$11,133,000	\$14,257,305	28.1%	\$2,213,718	13.0%	\$10,209,848	39.6%
July	\$2,487,000	\$3,002,254	20.7%	\$13,620,000	\$17,259,559	26.7%	\$3,058,702	(1.8%)	\$13,268,550	30.1%
Aug	\$2,107,000	\$2,746,873	30.4%	\$15,727,000	\$20,006,432	27.2%	\$2,493,158	10.2%	\$15,761,708	26.9%
Sept	\$1,817,000	\$2,465,287	35.7%	\$17,544,000	\$22,471,719	28.1%	\$2,536,858	(2.8%)	\$18,298,565	22.8%
Oct	\$1,076,000	\$1,506,923	40.0%	\$18,620,000	\$23,978,642	28.8%	\$1,549,662	(2.8%)	\$19,848,228	20.8%
Nov	\$925,000	\$1,078,493	16.6%	\$19,545,000	\$25,057,134	28.2%	\$1,149,543	(6.2%)	\$20,997,771	19.3%
Dec	\$3,421,000	\$4,067,070	18.9%	\$22,966,000	\$29,124,204	26.8%	\$3,511,405	15.8%	\$24,509,175	18.8%

Actual Collections Year To Date Through December



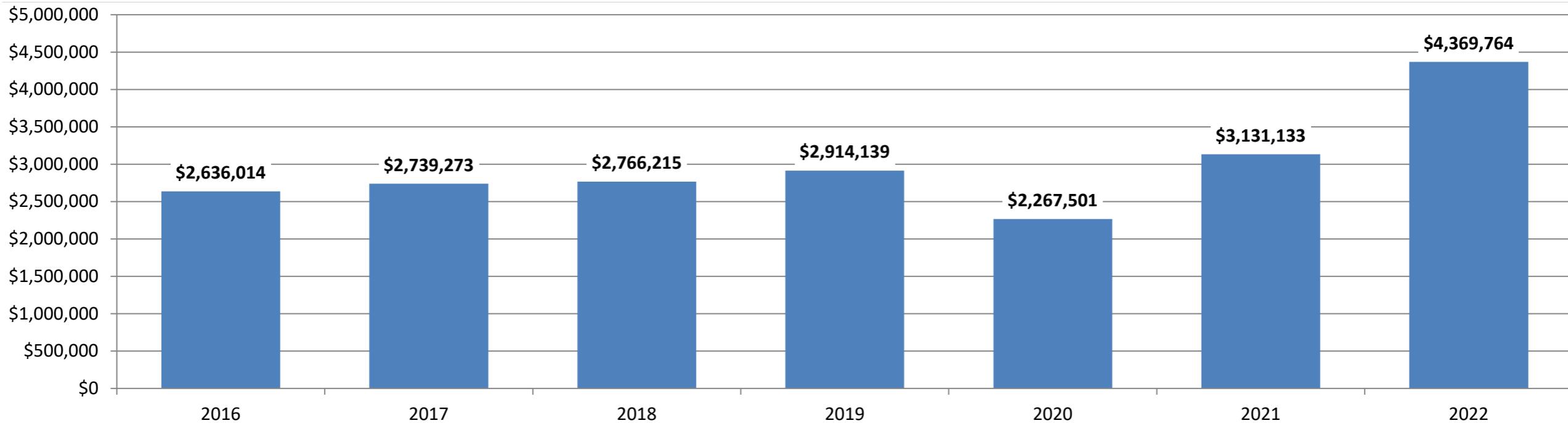
City of Aspen Tourist Promotion 1.5% Lodging Tax (0.5% Rate for 2010 and Prior)

December 2022

Current Month Revenues are 2.4% above last year's Monthly Revenues.
Year To Date Revenues are 41.8% above Year To Date Budgeted Revenues.
Year To Date Revenues are 39.6% above last year's Actual Year To Date Revenues.

2022 Monthly Budget vs. 2022 Actual				2022 YTD Budget vs. 2022 Actual			2022 vs. 2021			
Month	Budget	Actual	Variance	Budget	Actual	Variance	2021 Monthly	Variance	2021 YTD	Variance
Jan	\$446,300	\$526,967	18.1%	\$446,300	\$526,967	18.1%	\$168,712	212.3%	\$168,712	212.3%
Feb	\$410,500	\$578,288	40.9%	\$856,800	\$1,105,256	29.0%	\$208,731	177.0%	\$377,443	192.8%
Mar	\$442,000	\$678,895	53.6%	\$1,298,800	\$1,784,150	37.4%	\$369,554	83.7%	\$746,997	138.8%
Apr	\$66,200	\$124,826	88.6%	\$1,365,000	\$1,908,977	39.9%	\$88,271	41.4%	\$835,268	128.5%
May	\$51,800	\$65,610	26.7%	\$1,416,800	\$1,974,586	39.4%	\$50,893	28.9%	\$886,160	122.8%
June	\$225,700	\$334,739	48.3%	\$1,642,500	\$2,309,326	40.6%	\$231,840	44.4%	\$1,118,001	106.6%
July	\$327,800	\$443,471	35.3%	\$1,970,300	\$2,752,797	39.7%	\$429,454	3.3%	\$1,547,455	77.9%
Aug	\$265,500	\$381,176	43.6%	\$2,235,800	\$3,133,973	40.2%	\$328,132	16.2%	\$1,875,586	67.1%
Sept	\$176,800	\$317,090	79.3%	\$2,412,600	\$3,451,062	43.0%	\$324,107	(2.2%)	\$2,199,693	56.9%
Oct	\$87,200	\$158,018	81.2%	\$2,499,800	\$3,609,081	44.4%	\$166,860	(5.3%)	\$2,366,553	52.5%
Nov	\$68,700	\$77,679	13.1%	\$2,568,500	\$3,686,759	43.5%	\$97,749	(20.5%)	\$2,464,302	49.6%
Dec	\$514,000	\$683,005	32.9%	\$3,082,500	\$4,369,764	41.8%	\$666,832	2.4%	\$3,131,133	39.6%

Actual Collections Year To Date Through December

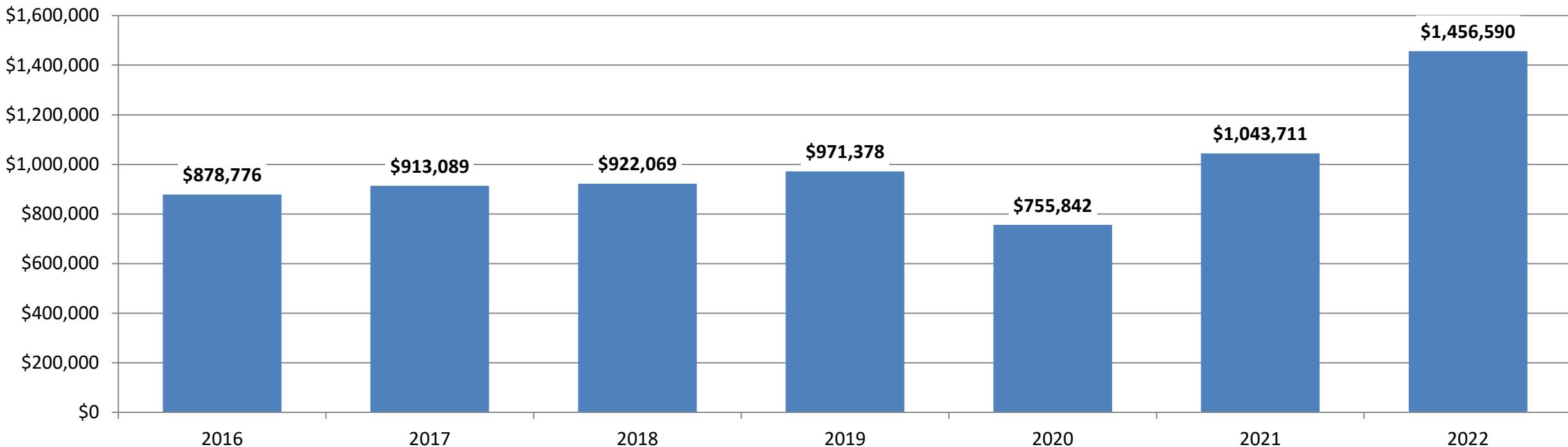


City of Aspen Transportation 0.5% Lodging Tax
December 2022

Current Month Revenues are 2.4% above last year's Monthly Revenues.
Year To Date Revenues are 41.8% above Year To Date Budgeted Revenues.
Year To Date Revenues are 39.6% above last year's Actual Year To Date Revenues.

Month	2022 Monthly Budget vs. 2022 Actual			2022 YTD Budget vs. 2022 Actual			2022 vs. 2021			
	Budget	Actual	Variance	Budget	Actual	Variance	2021 Monthly	Variance	2021 YTD	Variance
Jan	\$148,800	\$175,656	18.0%	\$148,800	\$175,656	18.0%	\$56,237	212.3%	\$56,237	212.3%
Feb	\$136,800	\$192,763	40.9%	\$285,600	\$368,419	29.0%	\$69,577	177.1%	\$125,813	192.8%
Mar	\$147,300	\$226,298	53.6%	\$432,900	\$594,717	37.4%	\$123,184	83.7%	\$248,998	138.8%
Apr	\$22,100	\$41,609	88.3%	\$455,000	\$636,326	39.9%	\$29,424	41.4%	\$278,421	128.5%
May	\$17,300	\$21,870	26.4%	\$472,300	\$658,196	39.4%	\$16,964	28.9%	\$295,386	122.8%
June	\$75,200	\$111,580	48.4%	\$547,500	\$769,776	40.6%	\$77,280	44.4%	\$372,666	106.6%
July	\$109,300	\$147,824	35.2%	\$656,800	\$917,600	39.7%	\$143,151	3.3%	\$515,817	77.9%
Aug	\$88,500	\$127,059	43.6%	\$745,300	\$1,044,659	40.2%	\$109,377	16.2%	\$625,195	67.1%
Sept	\$58,900	\$105,697	79.5%	\$804,200	\$1,150,355	43.0%	\$108,036	(2.2%)	\$733,231	56.9%
Oct	\$29,100	\$52,673	81.0%	\$833,300	\$1,203,028	44.4%	\$55,620	(5.3%)	\$788,851	52.5%
Nov	\$22,900	\$25,893	13.1%	\$856,200	\$1,228,921	43.5%	\$32,583	(20.5%)	\$821,434	49.6%
Dec	\$171,300	\$227,669	32.9%	\$1,027,500	\$1,456,590	41.8%	\$222,278	2.4%	\$1,043,711	39.6%

Actual Collections Year To Date Through December

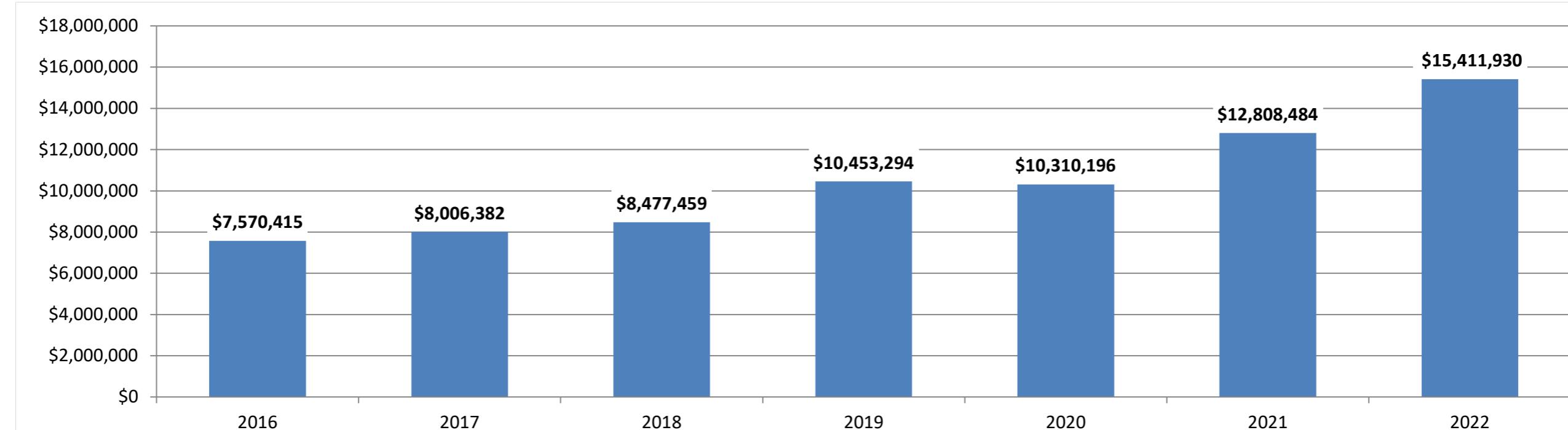


City of Aspen Portion of Pitkin County 3.6% Sales Tax
November 2022

Current Month Revenues are **(7.8%)** **below last year's Monthly Revenues.**
Year To Date Revenues are **25.7%** **above Year To Date Budgeted Revenues.**
Year To Date Revenues are **20.3%** **above last year's Actual Year To Date Revenues.**

2022 Monthly Budget vs. 2022 Actual				2022 YTD Budget vs. 2022 Actual			2022 vs. 2021			
Month	Budget	Actual	Variance	Budget	Actual	Variance	2021 Monthly	Variance	2021 YTD	Variance
Jan	\$1,761,000	\$1,865,160	5.9%	\$1,761,000	\$1,865,160	5.9%	\$1,092,020	70.8%	\$ 1,092,020	70.8%
Feb	\$1,631,000	\$1,913,738	17.3%	\$3,392,000	\$3,778,898	11.4%	\$1,183,150	61.7%	\$ 2,275,171	66.1%
Mar	\$1,689,000	\$2,125,220	25.8%	\$5,081,000	\$5,904,118	16.2%	\$1,515,832	40.2%	\$ 3,791,002	55.7%
Apr	\$660,000	\$969,500	46.9%	\$5,741,000	\$6,873,618	19.7%	\$817,669	18.6%	\$ 4,608,671	49.1%
May	\$482,000	\$782,204	62.3%	\$6,223,000	\$7,655,822	23.0%	\$665,386	17.6%	\$ 5,274,058	45.2%
June	\$1,035,000	\$1,345,550	30.0%	\$7,258,000	\$9,001,372	24.0%	\$1,218,669	10.4%	\$ 6,492,727	38.6%
July	\$1,394,000	\$1,692,577	21.4%	\$8,652,000	\$10,693,949	23.6%	\$1,694,768	(0.1%)	\$ 8,187,494	30.6%
Aug	\$1,244,000	\$1,545,937	24.3%	\$9,896,000	\$12,239,887	23.7%	\$1,427,495	8.3%	\$ 9,614,989	27.3%
Sept	\$1,024,000	\$1,379,994	34.8%	\$10,920,000	\$13,619,880	24.7%	\$1,321,660	4.4%	\$ 10,936,649	24.5%
Oct	\$657,000	\$992,304	51.0%	\$11,577,000	\$14,612,184	26.2%	\$1,004,489	(1.2%)	\$ 11,941,138	22.4%
Nov	\$686,000	\$799,746	16.6%	\$12,263,000	\$15,411,930	25.7%	\$867,346	(7.8%)	\$ 12,808,484	20.3%
Dec	\$1,903,000			\$14,166,000			\$2,051,774		\$ 14,860,258	

Actual Collections Year To Date Through November

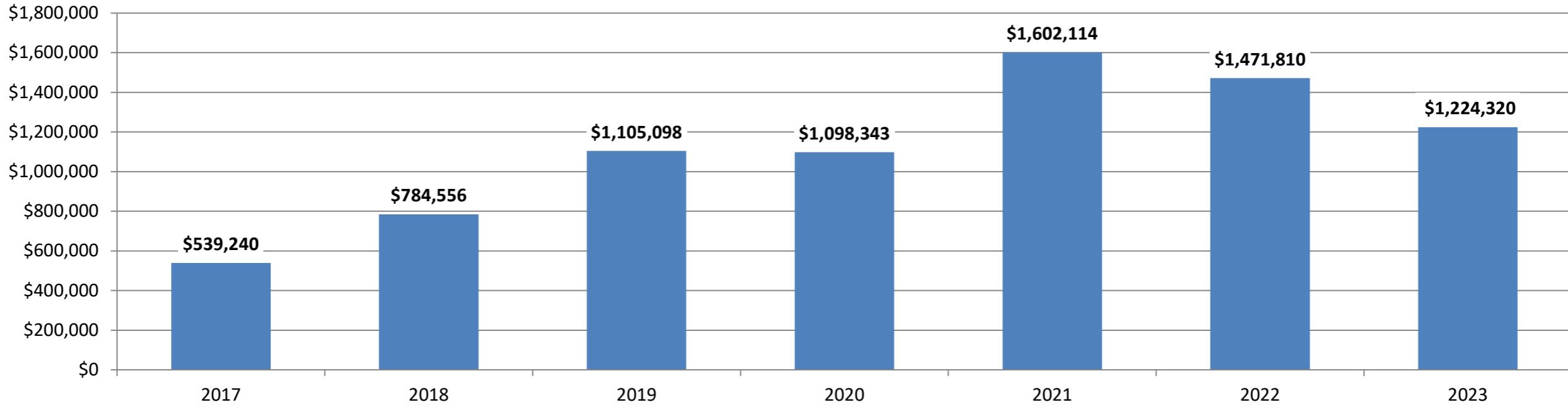


Housing Real Estate Transfer Tax
January 2023

Current Month Revenues are (16.8%) below last year's Monthly Revenues.
Year To Date Revenues are 116.3% above Year To Date Budgeted Revenues.
Year To Date Revenues are (16.8%) below last year's Actual Year To Date Revenues.

2023 Monthly Budget vs. 2023 Actual				2023 YTD Budget vs. 2023 Actual			2023 vs. 2022			
Month	Budget	Actual	Variance	Budget	Actual	Variance	2022 Monthly	Variance	2022 YTD	Variance
Jan	\$566,000	\$1,224,320	116.3%	\$566,000	\$1,224,320	116.3%	\$1,471,810	(16.8%)	\$1,471,810	(16.8%)
Feb	\$530,000			\$1,096,000			\$1,546,799		\$3,018,609	
Mar	\$556,000			\$1,652,000			\$2,656,014		\$5,674,623	
Apr	\$720,000			\$2,372,000			\$1,237,195		\$6,911,818	
May	\$728,000			\$3,100,000			\$2,610,330		\$9,522,148	
June	\$691,000			\$3,791,000			\$1,467,414		\$10,989,562	
July	\$494,000			\$4,285,000			\$651,850		\$11,641,412	
Aug	\$675,000			\$4,960,000			\$1,359,294		\$13,000,706	
Sept	\$960,000			\$5,920,000			\$1,503,485		\$14,504,191	
Oct	\$829,000			\$6,749,000			\$1,234,207		\$15,738,397	
Nov	\$565,000			\$7,314,000			\$654,910		\$16,393,308	
Dec	\$686,000			\$8,000,000			\$716,505		\$17,109,813	

Actual Collections Year To Date Through January



Wheeler Opera House Real Estate Transfer Tax
January 2023

Current Month Revenues are **(23.9%)** **below last year's Monthly Revenues.**
Year To Date Revenues are **121.4%** **above Year To Date Budgeted Revenues.**
Year To Date Revenues are **(23.9%)** **below last year's Actual Year To Date Revenues.**

2023 Monthly Budget vs. 2023 Actual				2023 YTD Budget vs. 2023 Actual			2023 vs. 2022			
Month	Budget	Actual	Variance	Budget	Actual	Variance	2022 Monthly	Variance	2022 YTD	Variance
Jan	\$285,000	\$630,975	121.4%	\$285,000	\$630,975	121.4%	\$828,882	(23.9%)	\$828,882	(23.9%)
Feb	\$273,000			\$558,000			\$370,913		\$1,199,795	
Mar	\$280,000			\$838,000			\$672,890		\$1,872,685	
Apr	\$358,000			\$1,196,000			\$1,152,214		\$3,024,899	
May	\$373,000			\$1,569,000			\$559,092		\$3,583,990	
June	\$343,000			\$1,912,000			\$707,695		\$4,291,686	
July	\$245,000			\$2,157,000			\$480,929		\$4,772,615	
Aug	\$338,000			\$2,495,000			\$982,807		\$5,755,422	
Sept	\$477,000			\$2,972,000			\$970,454		\$6,725,875	
Oct	\$409,000			\$3,381,000			\$1,321,834		\$8,047,709	
Nov	\$288,000			\$3,669,000			\$1,050,147		\$9,097,856	
Dec	\$331,000			\$4,000,000			\$1,751,029		\$10,848,886	

Actual Collections Year To Date Through January

